

Infrastructure Advisory Commission

Request for Expression of Interest

The City of Indianapolis (City) issued a Request for Expression of Interest (REI) on July 21, 2009, seeking a variety of solutions and approaches to the City's long-term water and wastewater infrastructure needs from public, non-profit and private organizations around the world. Mayor Greg Ballard, with the assistance of the Infrastructure Advisory Commission (Commission), is seeking ideas to improve our water and wastewater systems and delivery services from both systems at reduced costs to users in and around Indianapolis.

The REI responses have provided the City and the Commission a wide range of possible solutions to the City's infrastructure funding challenges, enabling the City to eventually make a thoughtful recommendation to the City-County Council that will help the City fund necessary capital improvements, while mitigating projected rate increases. Any solution must save money on utility capital and operating expenses (which ultimately impact utility rates), and not require an increase in taxes or user fees.



A pothole at the intersection of Illinois Street and 13th Street illustrates the constant need to fill potholes.



Stormwater projects are targeting neighborhood and street flooding throughout Marion County.

Distribution Methods

In order to receive a wide variety of responses from local, national and international organizations, the City used multiple methods to distribute the REI. The City distributed the REI widely through the City's bidding opportunities Web site. The Mayor's office also notified all key stakeholder groups of the REI's release. To reach interested national and international organizations, the City utilized the media to publicize the release of the REI and how to respond if interested.

Decision-making Process

On Aug. 20, 2009, the Mayor's office received 24 submissions from local, national and global organizations. The Mayor's office then invited nine organizations that submitted the most promising responses to give a presentation and elaborate on their ideas. These ideas and concepts were then shared and vetted with the Commission.

"We are looking for real solutions to the substantial infrastructure challenges facing the City, not gimmicks," said Mayor Greg Ballard. "I've directed our staff and asked the Commission to consider every single idea to reduce costs. People have enough challenges to make ends meet at home and at work, and we will consider every idea that reduces costs and reduces our impact on our environment while we make these essential improvements."

The City is currently exploring the feasibility, advantages and disadvantages of every opportunity presented from those organizations that submitted the most promising ideas for properly maintaining our water and wastewater systems, while minimizing the impact to rate payers. All of the alternatives under serious consideration involve keeping the systems under public ownership with the best combination of public and private management of the systems.

REI Submission Categories

The REI responses can be classified into five general categories:

1. Transfer the waterworks and wastewater assets to a newly formed non-profit entity
2. Combine the waterworks and wastewater operations and capital program management
3. Transfer the waterworks and wastewater assets to a newly created corporation in exchange for equity ownership
4. Offer to address discrete problems or issues of the waterworks and wastewater utilities
5. Transfer ownership and operations of the waterworks and wastewater utilities to Citizen's Energy Group

Utility System Options

Based on its review and analysis of the different structures proposed in the REI responses, the City and the Commission have determined that there are five options:

1. Maintain status quo and do nothing
2. At the City level, combine the waterworks and wastewater utilities into a single utility and engage a private operator to operate the newly created utility
3. Sell the utilities to a private, for-profit entity and completely privatize the utilities
4. Transfer the systems to a newly created, City controlled, not-for-profit and contract with a private vendor
5. Transfer the ownership and operations of the utilities to Citizens Energy Group, a local public charitable trust that would hold the utilities for the benefit of the citizens of the City of Indianapolis and operate the combined utilities as a non-for-profit

Indianapolis' Infrastructure Challenges

Like many U.S. cities, the City has not made adequate investments in its critical infrastructure for decades, and now our residents face huge rate increases of between 100 percent and 400 percent by 2025, as well as a multi-billion dollar infrastructure deficit if no action is taken.

Identifying Solutions

By listening to citizen feedback and recommendations received through the REI regarding these topics, Mayor Ballard, with the help of the Commission, will identify real solutions the City can implement to improve infrastructure with the smallest impact on citizens' pocketbooks.

Comments

The Commission welcomes comments and feedback.

To submit comments online, visit the Commission's Web site at www.indy.gov/mayor/IAC. Comments can also be submitted through the Mayor's Action Center. Call 327-4MAC to share your thoughts.

The following organizations responded to the REI. Submissions can be found online at www.indy.gov/mayor/IAC.

AECOM	GSG
Algae Wheel	Infrastructure Engineering, Inc.
American Water	Jatech Scientific
Bernardin, Lochmueller & Associates, Inc.	Keramida
Black & Veatch	Lombardo Associates
BPR CSO	Louisville Water Company
CH2MHILL	Macquarie Capital
Citizen's Energy Group	MWH
Commonwealth	Shrewsbury
Decision Corp.	Skanska/BSA LifeStructures
DLZ	United Water
Green & Green Associates	Veolia Water